Vol. 14, No. 25 June 25, 1963

NATIONAL REVIEW

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BULLETIN

THE WEEK

The English are funny. Not inconceivably, before the ink is dry on these words the Government that survived the catastrophe of Suez, the liquidation of the Empire, and the collapse of her continental diplomacy, will have fallen. Reason? S-e-x. There are those, searching out the light side of the Government's embarrassment, who remark gratefully that at least *this* Government scandal involved, for a change, heterosexuality.

Mr. Macmillan, whose worldliness in other matters makes especially conspicuous his apparent innocence of the implications of the behavior of his Minister for War, is being teased to death even by his supporters, *e. g.* the *Daily Telegraph's* Hugh Massingham, who commented that Mr. Macmillan does, of course, know about such things as mistresses, but has always assumed that a) they are all French, and b) lived during the eighteenth century. "Really," he concludes, "someone should have taken the Prime Minister aside, and told him about the birds and the bees and the flowers." And the Stakhanovite charmer, Miss Keeler, sighed to an interviewer that whatever else comes of it, the publicity is sure to ruin two careers, Mr. Profumo's and her own. But the British are a tenacious breed. No doubt she will bounce back.

That is, as we say, all strictly on the light side of it. The lowering cloud is the all too probable prospect that the next government of England will be made up of a bigoted little party of ideological pettifoggers who dream the dreams of Sidney Webb, who have pledged to refuse participation within the Common Market, who speak of neutralism, of a ban on atomic weapons, of more and more leveling: will all of England, and all the world, have to endure that, in expiation of Mr. Profumo's wanton pursuit of pleasure? Is his failing merely a synecdoche, the failure of the part, as symbol of the failure of the whole? Is all of England involved in degeneracy? Is England, entered on the jaded pursuit of self pleasure, now turning hypocritically on the beast that sprang from her own loins?

Or is England's resentment a morally gratifying phenomenon? Is the country engaging in showing that the best of what is associated with Victoria is not all gone? Perhaps she has less to learn from us than one would think. When *we* caught a man who a) occupied a sensitive position, b) visited a mistress, c) consorted with Communists, d) lied to his government, we ended up giving him $50,000 and a gold medal.

□ **BRITISH GUIANA SHUDDERS** with riots as thousands roam the streets, pillaging, tossing bombs into government buildings, roughing up officials, and warring with the police. Cheddi Jagan won't (or can't) call off the general strike now seven weeks old, which has caused a food shortage that makes the rioters only more bitter when they see Russian and Cuban vessels waiting for a shipment of rice arranged by Jagan. British troops from a garrison outside Georgetown and a warship lying at anchor have been posted at strategic points, and only Britain's military power can impose order there—unless the Kennedy Administration threatens Britain with violation of the Monroe Doctrine.

□ **CASTRO-COMMUNIST TERRORISM RIDES HIGH** in Venezuela. Successful attacks on oil and utility installations around Maracaibo have been followed by 1) burning a Sears Roebuck warehouse, 2) burning a Goodyear warehouse, 3) attacking the headquarters of the U.S. military mission in Caracas, holding up eight people including a U.S. Army colonel, stripping them on their shorts, hacking up the portrait of George Washington, burning the United States flag, and setting fire to the building. Last September 4 the President of the United States said, "The Castro regime will not be allowed to export its aggressive purpose." That was bluff. Castro called it, and won.

□ **"A SOVIET MILITARY CAMP."** That's what Cuba is, according to the report filed by a special committee (U.S., Argentina, Colombia, Dominican Republic,

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El Salvador, Guatemala, Peru, Panama) of the Organization of American States. The report goes on: "Undoubtedly Cuba now constitutes the regional center for subversive action by international Communism in America [the Western Hemisphere]. . . . There is no doubt that the Castro regime has selected Venezuela [see above] as its primary objective." The committee makes several recommendations for action against such subversion, including a prohibition on international pro-Communist meetings, cutting off all travel to Cuba, and setting up a hemispheric security system. Brazil and Mexico have already oozed their concern for the civil rights of Communists, and no doubt there will be more of that when the recommendations come up for approval by the OAS on July 3. But at least the cat's out of the bag now: an official investigation reveals that the situation is now precisely what President Kennedy called "intolerable" last year.

■ **BANKRUPTCY AT THE UN** creeps closer. The Communist bloc, about $50 million in arrears, will lose Assembly voting rights next January unless it pays up. Afro-Asian huddles haven't produced a plan to cover the UN's $200 million hole without hitting the U.S. for more than Congress might allow. So a backdoor financing plan is developing: the Congo (with $100 million domestic deficit) will take over some of the UN's costs in Léopoldville, and the U.S. will no doubt increase its "development aid" to the Congo accordingly.

■ **VALIANT PREDICTION.** The UN committee investigating South Africa's racial policies will in due course bring in its guilty verdict by a vote of not less than ten to one. This

ON THE LEFT

The Rev. Fred L. Shuttlesworth, who has been the Rev. Martin Luther King's left-hand man on occasion, notably in Birmingham, has been named president of the Southern Conference Educational Fund, a Communist-influenced group imitating Dr. King's own non-Communist Southern Christian Leadership Conference. Confusion is inherent in the arrangement, and neither Dr. King nor the SCLC stands to gain from it.

June 19 marks the tenth anniversary of the execution of Soviet atom spies Julius and Ethel Rosenberg, and the Left remembers ("Innocent! Innocent! Innocent!" etc.). The occasion is being celebrated by intensive efforts to resurrect the Rosenbergs, partly for propaganda value, partly to help spring co-conspirator Morton Sobell, who has now served 13 years of a 30-year sentence. The CP's *Jewish Currents,* noting the Administration's recent rehabilitation of Dr. Robert Oppenheimer, is optimistic.

The Minority of One, like its editor M. S. Arnoni, is tough, slick, and bitterly anti-American. TMO had a hard time getting started, but for the last year or so it has lacked neither money, means nor influence (especially among more paranoid pacifists). Arnoni is ambitious and ruthless; he has been known to turn on his benefactors, especially in matters concerning cash. He represents himself as an independent intellectual, not a Communist, but then not an anti-Communist either. Arnoni retains exclusive control and direction of TMO; he writes all its editorials and generally accounts for about half the copy of each issue himself. He also has hopes of launching a major weekly soon. TMO's rising influence is partly attributable to an energetic board of sponsors (some of whom should know better), among them: Rev. Stephen H. Fritchman, W. H. Ferry, Hugh Hester, Pitirim Sorokin, Albert Szent-Gyorgyi, T. H. Tetens, Ava and Linus Pauling, Bertrand Russell—and Dr. Albert Schweitzer (who is listed under shady circumstances: he didn't ask to be a sponsor and may not even know about the honor). Last week TMO's weak and failing claim to independence took a turn for the worse with the mailing by Marzani & Munsell, which specializes in distributing Communist books, of a handbill offering its recent *Un-Americana* at a discount when purchased with TMO subscriptions.

The Citizens Committee for Constitutional Liberties, cited by HCUA as a CP front, held a "Liberty Rally" in NYC last week. The program: CCCL chairman Dr. Willard Uphaus, Rev. C. Tyndell Vivian, Blanche Posner of Women Strike for Peace, Jim Monsonis of Students for Democratic Society, Frank Donner, author of *The Un-Americans,* Claude Lightfoot, a CP official, Sam Pevsner of the CP organ *Jewish Currents* and Rev. Wm. Howard Melish of the National Council of American-Soviet Friendship. Reported attendance: 2,000. Dull.

The recent reports of singer Paul Robeson's break with Communism put CP circles in a dither. Faced with a real loss of prestige, the Party placed dithyrambic tributes to Robeson all over its press, and Mrs. Robeson fired off a letter to *The Worker* and to the *National Guardian* insisting the reports weren't true. In a first-panic article, *The Worker* managed to serve up this amusing *lapsus linguae:* "'I am always with you in spirit,' Robeson added [to *Worker* readers], 'and I hope soon to be with you in prison.'" It later corrected: ". . . in person."

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EDITORS: James Burnham, Willmoore Kendall, Frank S. Meyer, William F. Rickenbacker
MANAGING EDITOR: Priscilla L. Buckley

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particular "conscience of the world" jury is composed of: five (5) newly-liberated African nations (Algeria, Ghana, Guinea, Nigeria, Somalia); three (3) non-white Asian countries (Malaya, Nepal, the Philippines); one (1) Negro "Republic," Haiti; one (1) Soviet satellite (Hungary), and one (1) possibly unprejudiced juror, Costa Rica.

Punch

"I've got bad news: that Yanqui company we invested our money in has been conned into re-investing it back here!"

■ **CUT GOVERNMENT SPENDING?** House rural conservatives joined urban Liberals to pass the full amount of the farm bill by a huge majority. Amount authorized: $7,313,835,000 —$1,976 for every farm unit in the U.S., one-half the total farm income for last year, 100% of the money Internal Revenue raises from bracket 22% on up.

■ **THE COURTSHIP OF THE CONSUMER CONTINUES.** First the President created a Consumers Advisory Council. Now a group of Senate Liberals, led by Javits and Kefauver, wants a Senate Consumers Committee and a Federal Office of Consumers. Among the evils to be eliminated by these proposed groups: inflation, "unfair" packaging, "misleading" advertising, "obscure" lending contracts, "unhealthy" mergers, and high freight rates to Alaska.

■ **WHAT'S THAT PRINCIPLE AGAIN? DEPT.:** When the Supreme Court refused to consider the Deerfield case (an attempt to desegregate an all-white suburb of Chicago), Joseph L. Rauh Jr., the ADA lawyer who handled the suit, moaned that a principle had been lost, "the principle that people have the right to live where they choose—to live next door."

PEOPLE

Election of Republican **Del Clawson** to Congress in California special by-election last week has local Democrats worried. Clawson was elected in solid-gold Democratic district which has been Democratic stronghold practically since **Fremont's** day. **Jesse Unruh,** influential (and widely disliked) Democratic Assembly Speaker, says Clawson victory signifies move to right "which I have consistently warned my party existed." . . . Los Angeles Young Republicans officially voted to censure Liberal GOP Senator **Thomas Kuchel** for his smear-type attack on Right in recent Senate speech. . . . Only importance of **John Lindsay-Nelson Rockefeller** squabble about who will get minor NYC Council post is this: if the ambitious Lindsay is ready to tangle with Rocky on such an unimportant issue, Lindsay must consider Rockefeller a political has-been. . . . Sen. **Joseph Clark** (ADA, Pa.) leading the pack in recently unleashed attack on legislative branch. "I have no hesitation in stating my deep conviction," said Clark in a N.Y. speech, "that the legislatures of America, local, state and national, are presently the greatest menace to the successful operation of the democratic process." . . . If **Averell Harriman** pulls off his Moscow assignment in a way pleasing to New Frontiersmen, he will have inside track on Secretaryship of State should **JFK** decide to replace the lackluster **Dean Rusk.** . . . Harriman recently sounding a little tougher. On Far Eastern trip early this month he stated: 1) The U.S. would fight to defend Australia's half of New Guinea if it was attacked; 2) U.S. recognition of Peiping would merely make the Communist Chinese more aggressive.

Addis Ababa outcroppings: Other African leaders worried over "African Bureau" **Nkrumah** has set up in Accra to train Africans in subversive tactics. Their worry? Since so little of Africa is still colonized, won't these agents be used for political subversion in their own countries; and, come to think of it, was Nkrumah involved in assassination of **Sylvanus Olympio** of Togo? . . . African leaders also offended at arrogance of Algeria's **Ben Bella** who tends to talk of himself more and more in the third person ("Ben Bella will not tolerate . . ." etc.) . . . .UN authorities in Elisabethville offering **Moise Tshombe** a safe conduct back to city. They want Tshombe to return long enough to order his people to keep the peace. . . . **Sir Roy Welensky** says he'll get out of politics with the breakup of the Rhodesias-Nyasaland Federation, which he headed. . . . **U Thant** telling personal friends he means it; that he will quit if UN doesn't solve its financial problems (two birds with one stone?).

Less than two weeks after **Sir Winston Churchill** announced that he would not run again for Parliament, nearly one hundred applications had been received from aspiring candidates confident that that is one seat the conservatives will win at the next election.

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□ FOCUS ON . . .

PAPABILI

Widespread speculation that the Cardinals now converging on Rome will elect a non-Italian Pope can be discounted. Precisely *because* the Church has moved so fast under Pope John (in both ecclesiastical reform and political reorientation) the cardinals will be inclined to proceed with caution.

Among the Italians, Cardinal Montini of Milan is again the pre-Conclave favorite. He is *the* Italian progressive, is relatively young (65) but not too young, an intellectual, and an outstanding administrator. But his performance at the opening session of the now-suspended Ecumenical Council did not satisfy the progressives among the bishops. Montini remained aloof from many of the more heated liturgical disputes. He disappointed his own team without winning appreciable support from the conservatives. Cardinal Ottaviani, the outstanding conservative among the Italians (and remember, "conservative" means different things, here and there, in politics and in theology), can probably be ruled out, not only because he is the chief target of the progressives, but also because he is very nearly blind. Cardinal Bea can be scratched; he's a Jesuit. But Cardinal Siri of Genoa is a very possible choice. He's a conservative, but far less objectionable to the progressives than Ottaviani.

Assuming a foreigner were considered, it would almost certainly not be an American, Englishman or Frenchman: as representatives of the big powers they are out. Cardinals Suenens of Brussels, Alfrink of Holland, Koenig of Vienna, all three from small nations, are about the right age (around 60), but Suenens and Alfrink may have been too outspoken in their demands for liturgical and administrative reform at the Council, and among that portion of the hierarchy which vigorously opposed Pope John's attempts to negotiate a new *modus vivendi* with the Communists, Cardinal Koenig is regarded with suspicion as Pope John's Averell Harriman. Cardinal Léger of Montreal has many qualifications: a North American, but not from the U.S.A.; a Latin who has moreover spent many years in Rome.

Finally, and with many things going for him, Cardinal Agagianian, a former Patriarch of the Armenian Rite, who would, for that reason, be expected to favor certain changes in the Latin Rite which the progressives very much want. Agagianian has been in Rome so long many of the influential cardinals on the Curia consider him a Roman; he was one of the leading contenders in 1958. He is also, and this may weigh heavily in his favor, head of the Sacred Congregation for the Propagation of the Faith.

□ WHAT'S AHEAD

GOLDWATER TALK

Permissive Republican stalwarts were rocked by former Senator Prescott Bush's tough-worded and categorical pronouncement on the subject of the remarriage at a girls' graduation ceremony last week ("Have we come to the point where one of the two great parties will confer its greatest honor on such a one? I venture to hope not. Have we gotten so the American people will elect such a man? I venture to hope not."). Bush is no prude and is well known in influential Republican circles. He is the first important Republican actually to say that if Rockefeller is nominated by the party, he wishes the party would lose. The impact of that statement, and the great depth of the emotions whence it must have sprung, suggest that what is ahead for Nelson Rockefeller is retirement from politics. Or at least, retirement from Presidential politics.

Meanwhile, the rally planned by the National Draft Goldwater Committee in Washington, D.C. on July 4th shapes up as a deep-throated appeal to Goldwater to face the realities and take the nomination the GOP wants him to have. But Goldwater will, quite properly, refuse to change

Capital Bulletin

Dateline *Washington*

The Supreme Court's decision on Colorado River water rights shocked California. Technical details aside, the fact is Arizona came out ahead in a dispute which has generated more passion in the two states than any other recent issue. From a political standpoint it may be an important factor in the 1964 election. The Court ruled against California—but the Kennedy Administration and Governor Pat Brown, the President's errand boy in California, will get much of the blame. Arizonans, on the other hand, will simply feel that they got what was due them.

○ Rep. Thomas M. Pelly (R., Wash.) conducts an annual poll of the press. This year's results are interesting because they show the political orientation of those who report the news. Since those answering the questionnaire were asked to indicate their party affiliation, a shining new statistic has emerged with which to answer Liberals who babble about the "one party" pro-Republican press. Of the Washington, D.C. corps of correspondents, only 19% listed themselves as Republicans. The rest were either Democratic (43%) or "independent" (38%). I put the "independent" in quotes because some of the most energetic hewers of wood for the Kennedy Administration insist that they are free of party affiliation. That 19% were Republican came as something of a shock to Quincy. In the course of his work and in his social contacts at the capital's favorite journalistic spas,

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his public position, even if he has been persuaded to change his private position. When and if Goldwater decides to run, he is likely to turn all pro: and that involves treating the country to the kind of suspense Eisenhower gave it in 1951—it was not until January 1962 that Eisenhower said he would return from Paris (obviously to seek the nomination).

□ IN THE BACKGROUND

EXILE MANEUVERS

All is not as it seems among the Cuban exile groups. The best-known raiding group is Alpha 66, formed in 1961 by fifty Cuban patriots under the titular leadership of Antonio Veciana. But Veciana then left his comrades-in-arms and joined Gutiérrez Menoyo, who had built up a substantial reputation as a double-crosser during his years in the Castro regime. Veciana took the name Alpha 66 with him when he left. Unwilling to publicize the division in their ranks, his former associates renamed themselves L-66, and went right on with their commando raids. Alpha 66 took credit for L-66's successful strikes, necessitating a further change of name. L-66 is now called Commandos "L."

Gutiérrez Menoyo was interned on arrival in this country, and his release from imprisonment shocked many Cuban exiles. Insiders believe *New York Times* man Tad Szulc was responsible. Menoyo has lent his support to Manuel Ray, farthest-left of the exile leaders. Ray is also backed by Puerto Rico's Muñoz Marín and the State Department's top Cuba man, John H. Crimmins. A recent State release said, "Ray's announced goals and principles approximate President Kennedy's Alliance for Progress." Further puffing can be expected.

The raid that provoked the Kennedy Administration crackdown was an Alpha 66 raid of March 20, which inflicted slight damage to a Russian ship docked at a heavily-guarded port. Knowing Menoyo's record, some Cuban commandos wonder whether the raid was on the level.

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he has found precious few who will admit to this mark of Cain. Perhaps, protected by the anonymity of the Pelly poll, the less courageous spake true.

On the issues, the Washington corps of correspondents indicates its ideological position far more clearly than in admitting party affiliation. Here is the breakdown—a guide for newspaper readers as they assess the millions of words that pour out of Washington:

Federal aid to education: 78% for; 22% against.

Medicare: 65% for; 26% against; 9% neutral.

Foreign aid: 86% for; 12% against; 2% neutral.

"Reorganization" of Congress by elimination of seniority, etc.: 75% for; 18% against; 7% neutral.

This overwhelmingly Liberal bias is responsible for the kind of attitude that led to a recent conversation in the Senate Press Gallery when a statement from a Republican congressman was placed on the release rack:

Wire service reporter: "You're not going to do a story on that, are you?"

Conservative reporter: "Sure, I think it's a good story."

W.S.R.: "But if you do a story, we'll have to do one, too. And who wants to put that stuff on the wire?"

o Despite this built-in press antagonism, an obvious change is occurring in political thinking here. Not too long ago Senator Barry Goldwater's chances 1) to get the Republican nomination and 2) to get elected were the subject of continuous hilarity among the correspondents. The shift is marked by guarded admissions that if the Senator could get the nomination, he would be a very strong candidate. It is now being said by anti-Goldwater correspondents that Mr. Goldwater has a chance to wrest the nomination from the Eastern Liberal wing of the Republican Party, that he would make the strongest candidate, and that with the breaks he might defeat President Kennedy.

This view is not universally held, of course. There are still those who insist that President Kennedy is unbeatable and that in any case Governor Rockefeller would poll more votes than any other Republican. But Washington, which is politically sophisticated even when biased, swings increasingly to the upgrading of Senator Goldwater. And, interestingly, Governor Rockefeller's remarriage contributes but slightly to the new consensus. This, it is argued, will be forgotten by 1964. The new view stems from a study of the 1962 results and of Governor Rockefeller's recent public appearances. "You know," one reporter commented, "he's starting to remind me of Dick Nixon—not as smart, but just as cold." This is unfair to both men, but a significant reaction.

As for the George Romney boom, no one takes it seriously. For one thing, Governor Romney does not seem to have any stomach for the kind of throat-cutting which won Wendell Willkie the nomination in 1940. The same kind of financial muscle will be flexed for Mr. Romney and against Senator Goldwater that was used for Mr. Willkie and against Senator Taft—but the Governor of Michigan has never been known to carry a switch-blade.

o The President's new venture into the civil rights jungle puts him in a damned-if-you-do-damned-if-you-don't position. If he fights hard for new legislation, he will guarantee the end of the "solid South." If he does not press, the Negro voters will sit on their hands in 1964—as they already seem disposed to do. In either case, he can only weaken his chances of re-election. But, as one wag put it, "if the President gets into real hot water, he can always fire Bobby Kennedy. This alone could clinch his re-election."

QUINCY

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At Home

Two weeks ago this column discussed the emergence of a new Liberal organization called "Group Research, Inc." GRI's stock-in-trade is tracing obscure, and sometimes remote, connections among various elements of what it calls "the right wing." This information is used by labor unions and other forces on the Left in their current drive to "'head off" the conservative movement.

It is ironic that GRI's specialty is the study of interlocking connections; it has a few of its own. Operating head of GRI is Wesley McCune, former assistant to one-time Secretary of Agriculture Charles Brannan (author of the ADA-favored Brannan Plan), and former employee of the National Farmers Union, the ADA of the agricultural world (Farmers Union chief James Patton is a leader in ADA). One of the incorporators of GRI is James Heller, Secretary of the Washington Chapter of the ACLU.

GRI is incorporated as a non-profit organization. Its statement of purpose says "the objects of the corporation are exclusively educational and no other." Yet it becomes apparent that GRI is closely involved in a political campaign of guilt by association—a tactic Liberals professed to abhor when allegedly practiced by Senator McCarthy. In point of fact, the group is far less an "educational" venture than many of the conservative groups it calls "extremist." Its findings are being clearly put to political uses.

The first verifiable public airing of GRI's researches was a speech delivered October 4, 1962 by Liberal Senator Gale McGee (D., Wyo.). McGee attacked the Washington newsletter, *Human Events,* and the Americans for Constitutional Action. His dissertation followed, from point to point, the "research" previously turned out by GRI. In some places, the wording was almost identical. For example, on July 20, 1962 GRI produced a "special report" on ACA. It says of ACA's staff: "ACA's first organizer appears to have been John Underhill, of Washington, D.C. Soon after the opening of the Washington office, Kenneth Ingwalson, who had been on the staff of the American Farm Bureau Federation, became Executive Director of ACA. He served until early 1961 and is currently assistant publisher of *Human Events,* which collaborates with ACA. He was replaced as Executive Director of ACA by Charles A. McManus, Jr., who had been with the ACA staff since 1959."

McGee's version reads as follows: "The first paid organizer appears to have been a John Underhill of Washington, D.C. However, soon after the opening of the office here, Kenneth W. Ingwalson took over as Executive Director. Mr. Ingwalson, as has been noted earlier, had been on the staff of the American Farm Bureau Federation, where he was director of their special education program. He served with ACA until last year, and, as I have mentioned, is now at *Human Events.* Mr. Ingwalson has been replaced as ACA's Executive Director by Charles A. McManus Jr., who has been with the organization since August 1959."

McGee's fidelity to the GRI material includes reliance upon some of its errors. GRI lists, as a contributor to ACA, one "Harold Rousburg." In point of fact (GRI please note for future use), the gentleman's name is "Ransburg." Evidently McGee took the material GRI supplied, made a few changes in phraseology, and stuck the result in the *Congressional Record* as part of a bitter partisan attack on conservatives. Quite an exercise in "education."

GRI materials have also been popping up in the publications of the unions. In August, 1962 the *Labor Beacon* published a long write-up on H. L. Hunt's "Life Line" radio program. An editor's note preceding the article accuses Hunt of "spreading poison," and says: "Group Research, Inc., has made a study of these organizations and men. Each month we will print the history of an organization and the men behind it so you can get an idea of the insidious forces working and writing to undermine you." UAW's *Solidarity,* house organ of Walter Reuther, has just run off a four-part series entitled "That Other Subversive Network," a blanket smear of conservatives ("Some very rich men would like to do away with our democracy"). Hunt is again a major target, and Reuther's indebtedness to GRI can be observed in such things as quotes from Hunt with precisely the same phrases retained, precisely the same ellipses indicating omissions.

Most recent exponent of GRI "research" has been freshman Rep. Ronald Brooks Cameron (D., Calif.), who took to the floor of the House May 20 to renew the attack on ACA. Cameron described ACA as "a political leech," which "is doing the Devil's work in American politics." Having thus established his own moderation, Cameron proceeded to parrot the GRI material for the benefit of his House colleagues. Like McGee, he lapsed into the phraseology of GRI, neglecting to put the matter in his own words. Both GRI and Cameron remark that a group known as "The Campaign for the 48 States" was the "ancestor" of ACA. GRI says: "Its Chairman was Robert B. Snowden, who was initially the finance chairman of ACA and is more recently an endorser of the John Birch Society." Cameron says:

"The Chairman of the Campaign for the 48 States was Robert B. Snowden, who was initially the Finance Chairman of ACA and is more recently an endorser of the John Birch Society."

When Cameron had finished, Congressman John Brademas (D., Ind.) stood up to join the attack, reading into the record the GRI material on ACA's finances. In none of these congressional onslaughts, going back to Senator McGee, was credit given to the "exclusively educational" services of GRI.

M. Stanton Evans

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BOLOGNA — **Opening for Communists**

Before going ahead last year with his side of the Opening to the Left, Pietro Nenni compelled the Christian Democratic leadership to agree to push two measures through the assembly: nationalization of the electric power industry and local autonomy for "regional governments." The first was enacted last autumn. The second will be a prime order of business as soon as a new government manages to start functioning. Mayor Dozza of Bologna is looking eagerly forward to the day when the regional plan goes through. He will then be the Communist boss of the Communist-controlled capital of a Communist Emilia, freed from most of the restrictions heretofore placed by Rome on his—that is to say, Togliatti's and Khrushchev's—exploitation of the regional base.

Abroad

LONDON — **Party of Science**

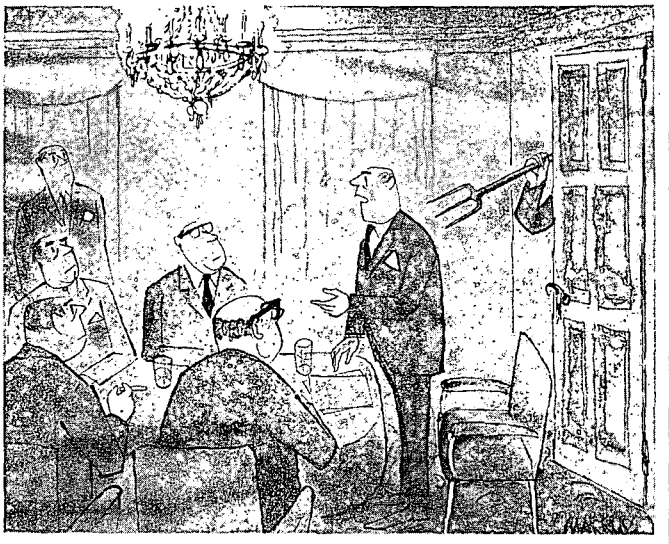
The Labor Party's leader, Harold Wilson, has been much impressed with the writings of C. P. Snow. In line with Snow's contention that scientists and technologists ought to play a much more prominent role in modern government, the Labor Party is now forming the "Socialist Scientists' Association." R.H.S. Crossman, who has been head of the party's "scientific committee," is sure that a substantial majority of British scientists not only support Labor but are willing to work with the party actively, both in the election and in the expected Labor government to follow. Quite apart from the proper role of scientists, Mr. Wilson figures that a "Party of Science" image will be a very useful political gimmick.

SOFIA — **Try and Try Again**

In spite of the scandal last February, when Ghanaian students organized protest demonstrations and subsequently made a well-publicized exit from the country, Bulgaria continues to push her African operation. About 400 African students are currently enrolled in Bulgarian schools and universities. The army is training a group of Kikuyu (Kenya's largest tribe, backbone of Mau Mau and of Jomo Kenyatta's KANU) in guerrilla methods. Trade with Africa is being rapidly expanded—from $13 million in 1961 to $20 million in 1962, with a comparable jump expected again this year.

NEW DELHI — **Brainwashed Indians**

Reports from Indian soldiers taken prisoner in the Himalayan War and just released by the Chinese indicate how long and careful the Chinese preparations have been for operations against India. As soon as captured, the prisoners were divided according to language and tribe or place of origin. Each group was sent to a separate camp in Tibet: one for Gurkhas, another for Sikhs, another for soldiers from related mountain tribes, etc. Chinese officers trained in the appropriate language were at hand for interrogation and brainwashing. The program is believed to be under the direction of Colonel Chen-hao, long the Chinese military attaché in New Delhi, where he studied the organization and makeup of the Indian army. Indirectly the replies of the returned prisoners tend to confirm the reports that uprisings in Sinkiang among several of the non-Chinese nationality groups—many of them ethnically identical with the groups across the Soviet border (Uzbeks, Kazakhs, etc.)—were an important factor leading the Chinese to break off the war.



Markus *Die Welt*

". . . we should not allow ourselves to be sidetracked by the farm protest."

ADEN — **Common Market Harems**

Although the sheiks and sultans in British-supervised south Arabia have been drawing down huge oil royalties and political subsidies, they spend so royally that they have been nearly going broke. The biggest portion of the money is siphoned into their luxurious modernized harems with scores of wives, concubines and slaves. Alarmed at the prospect of outright bankruptcy, the Arab potentates held a conference six months ago, at which they reached a gentlemen's agreement to establish a kind of specialized Common Market. The agreement was later signed formally, as the Pact of Hadhramaut, by 33 chieftains of the lands neighbor to Aden, and placed under the protection and guaranty of Aden's British governor. The Pact of Hadhramaut provides that no emir, sultan or sheik may possess more than one dozen official wives nor more than eighteen concubines, the price of the latter not to exceed £100 each, f.o.b. point of origin. But a few weeks ago the Council of this desert Common Market was reliably informed that nine emirs had imported from Austria and Germany a number of gorgeous creatures outside the quota, therefore contraband under the Pact. The co-signatories have appealed to the governor to uphold the treaties by bringing the violators to book, and judgment is anxiously awaited.

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BUSINESS

THE STOCK MARKET, after noodling around for almost two weeks in a very narrow trading range just under its all-time highs, has turned distinctly mushy. For anyone who wants to read them, the technical signs are there —weakening volume on price rises; proportionately heavier volume on declines.

The averages have come a long way since Cuba. Many of the pros who hopped on the bandwagon early have big paper profits and there are growing signs of what the Street euphemistically calls "distribution."

In the first five months of this year, for instance, when the market's trajectory was almost perpendicular, a whopping 9.5 million shares turned up in secondary (or exchange) distributions on the Big Board. That figure compares with 12.6 million shares in all of last year. Secondaries are much favored by institutional investors—mutual funds, pension funds, insurance companies—when they want to ease out of a big position. So far this year thirty-nine secondary notices have crossed the ticker tape. They have come in stocks like Gulf Oil, Litton Industries, and Smith, Kline & French—issues that have benefited handsomely from the big run-up of 1962-63.

The upsurge in secondaries suggests one thing—the smart money has the feeling that quality issues have just about run out of gas.

SOME OF THAT FEELING HAS SPREAD to the rest of the market. In a switch that is characteristic of the last stage of most bull rampages, the buying has shifted into secondary stocks. Volatile glamor issues are once again all the rage. Even the electronics stocks, which took such a murderous pounding in the sell-off in May of last year, are coming back into vogue.

The great rise, of course, has been fueled by an anticipated rise in corporate earnings and dividends. A compilation by the Wright Investors service, however, suggests that the uptrend in corporate profits and payouts has not been so broad as appearance would indicate.

In the first quarter of this year average earnings for all Big Board listed companies "were no higher than in the first quarter of 1962 . . . and current dividend payments are about the same as a year ago." The basic earnings figures, of course, are somewhat distorted by depreciation charges. Write-offs are running higher and this tends to understate reported profits, while swelling cash flow.

The betting is that earnings will expand through the rest of this year, but in terms of prices and profits the market is trading at a very high level indeed.

Such cash as has moved out of the market seems to be filtering into Treasury bills and other short term vehicles rather than tax-exempts, which are still pretty weak. Bond buyers are evidently sitting on the fence, waiting for interest rates to rise.

Short term rates are already on the climb. Average discounts on Treasury bills have gone above 3% for the first time in three years and rates on commercial paper and bankers' acceptances have moved right along in train.

It all reflects the fact that the Federal Reserve System is tightening up on commercial bank credit. The shift from the easy money policy that has prevailed for almost three years has been a gradual one. It is predicated on the momentum of the economy, and the likelihood is that the money managers will go light on the brakes for fear of putting business through the windshield.

The outlook is for an equally gradual rise in consumer and corporate borrowing costs. The banks are still loaded with savings deposits and the first effect of tightening credit may be observable in much closer scrutiny of loan applications rather than in a direct bump on rates as such.

Marginal borrowers will feel the pinch first and some banks are once again testy about requiring borrowers to keep a "compensating balance"—usually about 20% of the loan—on tap with the lender.

& Briefs

There is no plumbing the marketing mysteries of the Great American Mouth—or the beltline. As recently as six months ago Metrecal cans were as common at lunch time in most offices as red ants at a picnic. Now, however, Metrecal sales, according to a Mead Johnson executive, "have peaked out and settled off at a plateau." The liquid diet fad has lost so much momentum that Carnation Co., Foremost Dairies, General Mills and Ovaltine have all pulled their liquid diet controls off the market. Industry sales are currently running at annual rate of about $60 million, according to one estimate, a mere shadow of the $100 million taken in two years ago. Taste was apparently a factor in the drop-off and a good many health authorities, of course, were quick to sound off on the need for dietary "balance." That great guilt feeling about adipose tissue, however, keeps bulging out all over the market place. The sales accent now is on low-calorie soft drinks. The two newest entrants in the field are Coca-Cola and Pepsi.

Airline profit ratios may be on the upgrade. Most of the major carriers have just about completed the shift from piston to more efficient jet craft and slowly the bogey of overcapacity seems to be receding. From here on the airlines should be adding new passengers at a faster rate than new seats.

New construction orders have begun to rise and prices for building materials like wallboard, gypsum, lumber and plywood—long in the doldrums—are firming up a bit. Most building materials producers should show at least a small increase in earnings this year, but no dramatic improvements. The cement industry, in particular, is still plagued by overcapacity and price-cutting.

RICHARD PHALON

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